

TSP OPEN SEASON COMING SOON (OCTOBER 15 – DECEMBER 31, 2004)

Employees covered by the CSRS and FERS retirement system, as well as the uniformed services are eligible to participate in TSP. You can participate in TSP whether you work full time or part time. Employees may change the amount (by fixed dollar amount or percentage). You may prefer to contribute a percentage so that your contributions will increase automatically as you receive pay raises. Employees may also start contributing if they passed up the opportunity during any previous TSP open seasons. **FERS participants** may contribute **up to 15%** and the total amount contributed cannot exceed the Internal Revenue Code **limit of \$14,000**. **CSRS participants** may contribute **up to 10%** and the total amount contributed cannot exceed the Internal Revenue Code **limit of \$14,000**. The TSP-1 form must be received in the Human Resources Office by December 31st.

TSP Catch-Up Contributions.

Employees turning age 50 in 2005 may participate in Catch-up TSP by completing form TSP-1-C. Catch-up contributions are supplemental tax-deferred contributions and the amount contributed **does not** add to the IRS Deferral Limit. For 2005 an employee may contribute up to \$4,000 and this amount will increase by \$1,000 each year until 2006. Thereafter, the contribution amount will be indexed to inflation. A new election must be made each calendar year **and** the agency **does not** match catch-up contributions. An employee may change, stop or restart catch-up contributions at any time. Contributions automatically stop at the end of the calendar year or when you reach the maximum dollar limit for the year. Catch-up contributions are deducted from basic pay each pay period and therefore an employee must be employed and receiving pay. Additionally, an employee may not be in the 6-month non-contribution period following receipt of a TSP financial hardship in-service withdrawal.

REMINDER TO EMPLOYEES.

Provide TSP with nine-digit social security number and not just the last four numbers when contacting TSP for any reason, by telephone or by mail. The new record can process requests for changes at any time. Employees are also reminded to allocate the appropriate amount of money each pay period to avoid exceeding the IRS elective deferral limit.

REFUND OF TSP CONTRIBUTIONS.

TSP will make refunds to employees who go over the IRS elective deferral.

How to make a contribution election.

To make a contribution election, submit Form TSP-1 (Election Form) to the Human Resource Office. You can obtain Form TSP-1 from the TSP-Web site (www.tsp.gov) or the Human Resources Office.

When elections become effective.

If your election is received by December 10, 2004, it will become effective the first full pay period in December (December 12, 2004). If your election is received between December 13, 2004 and December 31, 2004, it will become effective no later than the first pay period after it is received. TSP-1s received in the Human Resources Office after December 31st, will be returned to the employee.

How to make an investment election.

You may invest in any of the five TSP investment funds. To change the investment of future contributions to your TSP account, you must request a contribution allocation. To change the investment of money already in your account you must request an interfund transfer. To request a contribution allocation or an interfund transfer, use the TSP Web site (www.tsp.gov), the Thriftline (Toll Free 1-877-968-3778 or 1-504-255-8777), or complete Form TSP-50 (Investment Allocation). You may request a contribution allocation or interfund transfer at any time.

The Thrift Savings Plan (TSP) has made three changes to the loan program, effective July 1, 2004:

- A \$50 fee is deducted from the amount of each new loan.
- You may no longer have two general purpose loans at the same time. (You may have one general purpose loan and one residential loan.)
- When you pay off a TSP loan, you are not eligible to apply for another loan of the same type for 60 days.

Where to get more information about the Thrift Savings Plan (TSP).

The booklet Summary of the Thrift Savings Plan for Federal Employees describes the TSP in detail and contains more information about contribution elections, contribution allocations, and interfund transfers. The latest version of this booklet is May 2001. If you do not have the latest version, contact the Human Resources Office. This booklet is also on the TSP Web-Site.

If you have additional questions about the Thrift Savings Plan (TSP), contact the Human Resources Office 602-267-2475 / DSN 853 or 602-267-2789 / DSN 853.